HOW TAX CREDITS & CLGS CAN BENEFIT YOUR COMMUNITY

Brian Beadles & Erica Duvic, State Historic Preservation Office
Historic Rehabilitation Tax Incentives

Joint program between:

- State Historic Preservation Office
- National Park Service
- Technical Preservation Services
- Internal Revenue Service
Allowable Rehabilitation Costs Include:

- Construction costs
- Interim financing – loan fees & interest
- Property taxes & insurance during construction
- Architectural, engineering & design fees
- Builder, contractor & developer fees
- Appraisal fees
Allowable Rehabilitation Costs

**DO NOT Include:**

- Building acquisition
- Intangible assets that include reserves, permanent loan fees, marketing expenses & some legal & accounting
- Site work including parking lot, sidewalks & landscaping
To qualify for the 20% credit:

- Listed on the National Register of Historic Places
- Property must be used for income producing purposes
- Rehabilitation must meet the Secretary of the Interior’s Standards for Rehabilitation
- Property must meet the Substantial Rehabilitation Test
- Property must be owned for 5 years to claim the full value of the credit
Substantial Rehabilitation Test

Amount of the property $200,000
- cost of the land - 40,000
- cost of any depreciation - 0

= the adjusted basis $ 160,000

Need to spend more than $160,000 within a 24 month period (or 60 months for a multi-phase project) to partake of the credit
**Part 1: Certifies the building is historic**

**Application**

<table>
<thead>
<tr>
<th>Property Name</th>
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<tbody>
<tr>
<td>Street</td>
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<tr>
<td>City</td>
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<table>
<thead>
<tr>
<th>Name of Historic District</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Register district</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature of request (check only one box)</th>
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</thead>
<tbody>
<tr>
<td>Certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.</td>
</tr>
<tr>
<td>Certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.</td>
</tr>
<tr>
<td>Certification that the building does not contribute to the significance of the above-named historic district.</td>
</tr>
<tr>
<td>Provisional determination for individual listing in the National Register.</td>
</tr>
<tr>
<td>Provisional determination that a building located within a potential historic district contributes to the significance of the district.</td>
</tr>
<tr>
<td>Provisional determination that a building located outside the period or area of significance contributes to the significance of the district.</td>
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<tr>
<th>Project Contact (If different from applicant)</th>
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<tbody>
<tr>
<td>Name</td>
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<tr>
<td>Street</td>
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<tr>
<td>City</td>
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<td>Telephone</td>
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<tr>
<th>Applicant</th>
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| I certify that the information I have provided is, to the best of my knowledge, correct. If more than one or both boxes are applicable, I certify that the above-described property is the meaning of "owner" as defined in 36 CFR Part 67, (d) (2). I am the owner of the above-described property within the meaning of "owner" as defined in 36 CFR Part 67, (d) (2). I have notified the appropriate owner of the above described property, and that owner agrees to the application and has no objections. As indicated in the written statement from the owner, I certify that the above-described property is the meaning of "owner" as defined in 36 CFR Part 67, (d) (2).

<table>
<thead>
<tr>
<th>Historic Preservation Certification Application</th>
<th>NPS Project Number</th>
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<tbody>
<tr>
<td>PART 1 – EVALUATION OF SIGNIFICANCE</td>
<td></td>
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<tr>
<th>5. Description of physical appearance</th>
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<tr>
<td>Details of building(s)</td>
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<tr>
<td>Has building been moved?</td>
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<tr>
<th>6. Statement of significance</th>
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**Historic Preservation Certification Application**

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<thead>
<tr>
<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>Street</td>
<td>City</td>
</tr>
<tr>
<td>Telephone</td>
<td>Email Address</td>
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<table>
<thead>
<tr>
<th>NPS Official Use Only</th>
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</thead>
<tbody>
<tr>
<td>The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property:</td>
</tr>
<tr>
<td>contributes to the significance of the above-named historic district or National Register property as a &quot;certified historic structure&quot; for rehabilitation purposes.</td>
</tr>
<tr>
<td>contributes to the significance of the above-named historic district as a &quot;certified historic structure&quot; for charitable contribution for conservation purposes.</td>
</tr>
<tr>
<td>does not contribute to the significance of the above-named historic district.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Preliminary Determination</th>
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<tr>
<td>Appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 67.</td>
</tr>
<tr>
<td>Appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.</td>
</tr>
<tr>
<td>Does not appear to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination is detailed documentation is not submitted to the NPS by the Historic Preservation Officer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>NPS comments attached</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Park Service Authorized Signature</td>
<td></td>
</tr>
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</table>

| 7. Photographic and Map | Send photographs and maps with application. |
Part 2: Describes the rehabilitation

- 24 months
- 60 months
Part 3 (Request for Certification of Completed Work): Certifies that you did what you said you were going to do.
Secretary of Interior’s Standards for Rehabilitation

- 1. Appropriate use
Secretary of Interior’s Standards for Rehabilitation

- 2. Retention of historic character
Secretary of Interior’s Standards for Rehabilitation

- 3. Recognition of time, place & use – avoiding a false sense of historical development
Secretary of Interior’s Standards for Rehabilitation

- 4. Retention of significant changes over time
5. Preservation of distinctive features, finishes, construction techniques & craftsmanship
Secretary of Interior’s Standards for Rehabilitation

- 6. Retain original
- then repair
- then replace (Replace based on documentary & physical evidence.)
Secretary of Interior’s Standards for Rehabilitation
Secretary of Interior’s Standards for Rehabilitation

☐ 7. Use the gentlest chemical or physical treatments possible
8. Protection & preservation of significant archaeological resources
Secretary of Interior’s Standards for Rehabilitation

9. New work should be differentiated from the old and compatible.
Secretary of Interior’s Standards for Rehabilitation
Secretary of Interior’s Standards for Rehabilitation

- 10. Reversible new construction
Case Study: Dinneen Building
Case Study: Dinneen Building
A city, town, or county that had made a commitment to support historic preservation in their community.
CLGs in Wyoming
How did CLGs come to be?

- **National Historic Preservation Act - 1966**
  - Created a program between the Federal Government and the States; established a SHPO in each state
  - Based on: identification, evaluation, registration, and protection of historic resources

- **Act amended in 1980**
  - Added the local partnership - CLGs
  - Local role was to administer local ordinances, maintain surveys, and participate in the National Register program
  - Any unit of government could become certified
Benefits of Certification

- Grant funding
- Technical assistance
- National Register participation
- Training opportunities
- Networking opportunities
- Participation in federal consultation
- State and federal support for preservation in your community
Requirements to Be Certified

- Enforce local legislation for the designation and protection of historic properties
- Establish and maintain an adequate and qualified historic preservation commission
- Maintain a system for the survey and inventory of historic properties
- Provide for public participation in the program
- Attend annual training
- Submit an annual report
Certification Process

1. Pass local ordinance
   - Creates historic preservation commission
   - Provides for the designation/protection of historic properties

2. Recruit commission members

3. Submit application and agreement to SHPO

4. SHPO approves application

5. NPS approves application

6. Local government is certified
What does a CLG do?

- Survey
- Designation
- Nomination
- Regulation
- Review
- Advocacy
- Public Education
Benefits of Historic Preservation

- Protect historic properties
- Increase property values
- Strengthen communities
- Increase Tourism
- Save history for future generations
Benefits of Historic Preservation

![Graph showing single family foreclosure rates for Salt Lake City, Provo, Logan, Ogden, and Park City from 2008-2012. The graph compares Foreclosure Rate for City and Foreclosure Rate for Historic Districts.]
Benefits of Historic Preservation

ALL PRICE RANGES - NATIONAL HISTORIC DISTRICTS
AVERAGE VALUE 2012

Northwest
Capitol Hill Natl ex...
Liberty Wells
Forest Dale
Bennion Doug
Bryant
All of Salt Lake
Highland Park
Avenues Natl ex...
Yalecrest
Gilmer Park
Benefits of Historic Preservation

Profits Through Preservation: The Economic Impact of Preservation in Utah (2013)

Preservation at Work for the Nebraska Economy (2007)
